

THE WHITE HOUSE
WASHINGTON

1 October 71

Dr. Kissinger:

I have proposed lunch on next
~~Wednesday~~ for Stennis.

~~Friday~~

Monday afternoon at 3:00, _____
4:00 _____
5:00 _____

would also be possible, if

Coleman

*Will call him
make sure it happens
Monday AM*

THE WHITE HOUSE
WASHINGTON

4 October 71

General Haig:

HAK talked to Stennis today,
and indicated to me that
the lunch meeting I had
scheduled for him with Stennis
would no longer be
necessary.

Coleman


*Hehman
Do another
talker on other
subject*

NSS, DOS, Navy, Army,
OSD Reviews Completed

May Contain
Congressional
Material.


MEMORANDUM

NATIONAL SECURITY COUNCIL


URGENT ACTION

SECRET

1 October 1971

MEMORANDUM FOR: HENRY A. KISSINGER
FROM: J. F. LEHMAN 
SUBJECT: Symington amendment on Laos

Senator Symington's amendment to the Military Procurement Bill limiting all expenditures to 200 million (our bill contains 450 million) which was defeated in committee, will be voted on the floor on Monday. We do not yet have a reliable vote count but it could be very close.

We had a strategy meeting this morning with MacGregor and undertook the following measures:

- Abshire, Korologos and Cowen will spend today and Monday on the Hill, each with one of three state briefers, Bill Sullivan, Mark Pratt and Joe Wolf, visiting senators and briefing each individual senator.
- Talking papers and speeches which we prepared on a classified and unclassified form some weeks ago, have been and are being distributed through Scott's, Griffin's and Dole's offices.
- A meeting has been set up for Monday morning in Senator Scott's office for the Republican leadership and selected Republican senators for the purpose of rallying them to an all-out effort. Clark MacGregor, General Haig and Dave Abshire will brief.

As you know, Senator Stennis has talked with Laird and Helms and informed the President that he will not support CIA operations in Laos after this year. You approved our recommendation that you meet with Senator Stennis at an early date, to explain to him the importance of our policies in Laos. (See package at Tab B.)

We have just received word that Senator Stennis has authorized Ed Braswell (Chief of Staff SASC) to work with Symington on a compromise solution for Monday. This must be stopped. So far no one has really made the effort to

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2.

sell Stennis on the importance of our Laos policy, and he now feels that the Executive Branch is putting the onus on him by not making a strong public defense of administration policy.

As you know, we cannot live with any compromise that would be acceptable to Symington. To stop this development you must call Stennis directly before Monday.

Recommendation:

That you call Senator Stennis and make the following points:

1. You would like to get together with Senator Stennis to discuss the problem of subsequent years' budgeting of operations in Laos, sometime next week or the week after. (As per your decision at Tab B.)
2. You wanted to call him before you get together and before the vote on Monday to convey to him the importance you placed upon the full authorization for Laos remaining intact in this year's bill; that no ceiling such as that in the Symington amendment is acceptable.

John Holdridge has prepared talking points at Tab A.

Concurrence: John Holdridge *JH*

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October 1, 1971

Your talking points for telephone call to Senator Stennis on Laos:

-- We absolutely cannot have a ceiling on U.S. expenditures in Laos.

-- This would undercut the entire Nixon Doctrine, which seeks to assure countries being subjected to aggression or subversion that the United States will provide them with the military and economic assistance which they need to preserve their independence. If limitations are imposed in Laos, other countries would assume that their needs might not be met, and the credibility which the President has tried to achieve on our honoring commitments would be destroyed.

-- It is cold, hard fact that without U.S. assistance to Laos at at least present levels, the present Government of Laos will collapse and all military resistance there will cease.

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-- With the collapse of Laos, the whole situation in Indo-China could take a promised turn for the worse. A successor to the present Lao Government might demand a halt to our bombing and the four North Vietnamese divisions now being tied down in Laos would be free to fight in South Vietnam and Cambodia.

-- This in turn might have a bearing on the President's China initiative. It is imperative that we approach Peking as a world power able to exercise influence in Asia, and not as a defeated

power being forces out under conditions amounting to a military defeat.

-- Senator Stennis should know that the main purpose of Prime Minister Souvanna Phouma's visit to Washington was to receive reassurances that we would continue to support his Government, and compel the Communists to honor the Geneva Agreements on Laos of 1962. It would be the shabbiest treatment for a dedicated ally which has suffered enormously to be in effect betrayed by the U.S.

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HARRY C. HOLCOMB, JR., ARIZ.
RICHARD L. MONTAGNA, PA.
WILLIAM D. LAMON, OHIO

United States Senate

COMMITTEE ON ARMED SERVICES

WASHINGTON, D.C. 20510

September 2, 1971

Mr. President
The White House
Washington, D. C.

Dear Mr. President:

The Committee has now completed action on the Military Procurement Authorization Bill which includes a portion of the authorization for funding United States operations in Laos. Moreover, as you know, for a number of years the Central Intelligence Agency also has funded a portion of U. S. programs in Laos.

I strongly defended the budget requests for Laos for fiscal year 1972 and the full request was approved by the Committee. I have concluded, however, that for the CIA to continue funding any portion of the Laos operation after fiscal year 1972 would be a serious mistake and possibly jeopardize the success with which the CIA carries out its other world-wide functions.

The CIA involvement in Laos is now a matter of public knowledge. Moreover, as you know, the U. S. programs in Laos have become an issue within the Senate which will doubtless be raised by floor amendments. These considerations have led to demands that all the CIA budget be revealed and debated. The Laos matter therefore adds to the difficulty in protecting the CIA budget against demands for greater disclosure.

There is the final consideration of the fact that the primary purpose of the Agency is to collect and evaluate intelligence, and the Laos program serves to jeopardize this primary function due to the criticism of its involvement in the Laos operation.

I am writing now to advise you that I cannot support any further funding with respect to Laos as a part of the CIA budget for fiscal year 1973. I urge that other funding alternatives be considered in connection with the formation of the fiscal year 1973 CIA budget.

This letter is written to you directly because of the serious nature of this matter and the interagency relationships involved.

Most respectfully yours,

John C. Stennis

John C. Stennis
Chairman

Senate Armed Services Committee



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

OFFICE OF THE DIRECTOR

20 September 1971

MEMORANDUM FOR: The Honorable Henry A. Kissinger
Assistant to the President for
National Security Affairs

SUBJECT: Senator Stennis' Letter to the President
of 2 September 1971 on CIA's Role in Laos

1. In response to requests from your Staff for comment on Senator Stennis' letter, it is important first to understand the background of the Senator's concern as it relates to his ability to protect the security of the Agency's budget and operations in the Congress.
2. The attached memorandum (Tab A) recounts the consistent opposition of key members of the Congress to Agency funding of and participation in paramilitary programs of the scope of the Laos operation. There is also concern, as noted in Senator Stennis' letter, that the problems arising from the Agency's involvement in Laos will jeopardize what the Senator refers to as its "primary function" of collecting and evaluating intelligence.
3. In response to the direction of higher authority we have continued our executive role in the Laos operations, but I believe in the light of the concerns expressed in Senator Stennis' letter it will be difficult, if not impossible, for us to continue in this role indefinitely. Those key committees on whom we depend for our appropriations and our protection from damaging public exposure and political debate appear firmly committed to the proposition that they cannot support the continued inclusion of funds in the Agency's budget for Laos-type operations. In addition, it appears extremely doubtful that they will long countenance the Agency's conduct of such operations even if the funds were overtly appropriated as a line item in the Defense budget.

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4. It is increasingly clear that the longer the Agency stays in the Laos operation, the more likely it is that the Congress will be inspired to introduce legislation designed to limit the capacity of the Agency and the Administration to undertake covert paramilitary operations. So far the several bills introduced in the Congress to impose restrictions either on funding or the participation of the Agency in paramilitary operations have been defeated or are pending. It is unlikely that we can rest with any assurance on the proposition that such legislation in the future will be defeated, particularly if the opposition to it is not wholeheartedly supported by the members of our oversight committees.

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6. We recognize that these last two options will not be warmly endorsed by the Departments of State and Defense but they seem to us the only realistic alternatives [REDACTED]

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[REDACTED] I suggest that a detailed review of these options should be undertaken by an ad hoc interagency group to be appointed by you to come up with specific recommendations as to how this complex matter can best be resolved. Through the years, I have been able to persuade our oversight committees that our current procedures were really the best with which to carry on the paramilitary operation in Laos. With the visibility recently given to these operations, however, I do not think they will accept this position any longer.

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Richard Helms
Director

Attachments: 2
As stated above

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TAB A

17 September 1971

MEMORANDUM

SUBJECT: Congressional Attitude Toward CIA Funding of
Major Paramilitary Activities

1. For many years the attitudes of the current Chairmen of the Agency's subcommittees, including their predecessors, were that the Agency's budget should remain as small as possible. There have been expressions that the larger the budget the more difficult for the subcommittee chairmen to deal with members of the full committees and the Houses of the Congress as a whole. This difficulty existed not only in the Appropriations Committees but also in the Armed Services Committees, [REDACTED]

[REDACTED] Specifically, when programs begun and managed by CIA became too large and visible, our subcommittees have urged that program responsibility as well as funding be dropped by the Agency and picked up by Defense. This memorandum will review four programs in which this problem has arisen--Rural Development Cadre (RDC), SWITCHBACK, MACSOG, and operations in Laos.

2. RDC - A project for developing Vietnamese teams to carry out social, medical, and economic improvements in South Vietnam's rural areas.

a. During early and mid-1966, questions were beginning to be raised by Agency congressional subcommittees about continued CIA budgeting and responsibility for the RDC program. At meetings with the Agency

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on 21 and 22 September, the subject was discussed by the Senate Armed Services and Senate Appropriations Subcommittees. Senator Russell specifically stated that he hoped the Agency could get out of the RDC program in view of its planned expansion.

b. In a 6 April 1967 letter to the Bureau of the Budget, signed by George Mahon, Chairman, House Appropriations Committee, and Carl Hayden, Chairman, Senate Appropriations Committee, concern was expressed about funds for the RDC program and the fact that they were in the Agency's regular budget. The letter pointed out it was difficult to handle funds for this open program as a classified budget item. The letter then requested that consideration be given to an alternative method of funding for FY 1968.

c. The Chairman of the House Appropriations Committee, Mr. Mahon, by letter dated 9 June 1967 to Senator Hayden, Chairman of the Senate Appropriations Committee, reduced the Agency's budget by allowing only sufficient funds for three-quarters of the fiscal year. The Agency was advised that the intent of this reduction was that the Agency should be relieved of the funding for this program as of the beginning of the fourth quarter of 1968 and there would be no funding through the Agency thereafter. It specifically pointed out that this was not intended as a cut in the program level; it was a means to force the Executive Branch's hand. The Senate Appropriations Committee later concurred in the House action.

d. Agency funding ceased at the beginning of the fourth quarter of FY 1968, but the Department of Defense requested assistance through channeling of funds for an interim period while it attempted to resolve certain procedural aspects. The Agency agreed to this for the final quarter of FY 1968.

3. SWITCHBACK -

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Page Denied

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Appropriations Committee might well direct the Agency to phase out of certain paramilitary programs. [REDACTED]

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[REDACTED] On 14 July 1970, Representative Mahon said he "agreed 100 percent with Senator Russell's position on Agency funding of operations in Southeast Asia."

b. Throughout the remainder of 1970 and 1971, there were continued expressions of concern from our subcommittees concerning Agency funding of paramilitary programs in Southeast Asia. [REDACTED]

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[REDACTED] These concerns culminated in the letter from Senator Stennis to the President of 2 September 1971 in which he said, ". . . for the Agency to continue funding any portion of the Laos operation after fiscal year 1972 would be a serious mistake and possibly jeopardize the success with which the CIA carries out its other world-wide functions." He also said he ". . . cannot support any further funding with respect to Laos as a part of the CIA budget for fiscal year 1973."

c. In explaining further to the Agency his position, on 14 September 1971 Senator Stennis expressed his view that the Agency should get out of the entire Laos operation as soon as possible. He added that so far as funding was concerned, he was unalterably opposed to any funding from the Agency's budget after FY 1972 and that as far as other aspects of the Agency involvement were concerned he realized this could not be done overnight but he thought it had to be done as soon as practicable. It was his opinion that the Congress simply will not tolerate continued use of the Agency's special authorities in this manner, which an increasing number of Congressmen regard as circumventing the will of the Congress.

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TAB B

17 September 1971

Options to CIA Management of the Irregular Program in Laos

Background. Since 1961 irregular forces have assisted the regular Lao Army to resist Communist encroachment. These irregulars have been given support and guidance by the Central Intelligence Agency as the executive agency for the United States Government. The program started with the use of hill tribes, primarily Meo under General Vang Pao, and expanded to include lowland Lao.

The Ambassador has exercised overall United States policy control of the program. [REDACTED]

[REDACTED] It has funded and delivered military logistics materiel and given training and tactical guidance to the Meo and Lao.

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In 1970, due to increasing Communist pressure and the exhaustion of Lao manpower resources, [REDACTED]

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[REDACTED] Because the additional expense and logistics requirements exceeded CIA resources, the Department of Defense funded the program from the Military Assistance Service Funded (MASF) Program. [REDACTED]

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[REDACTED] As a result of interagency agreement in the spring of 1971, it is planned after this fiscal year to fund salaries for all irregulars [REDACTED] and all logistics and support air costs from MASF.

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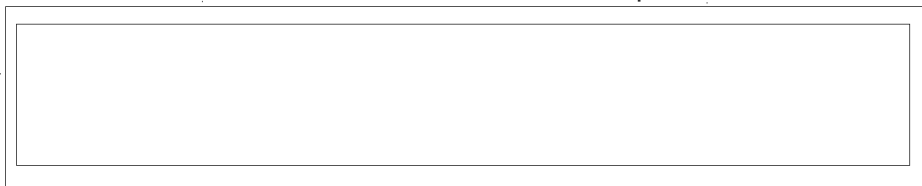
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[REDACTED] Lao and Meo irregular units are all under the command of the Laos Military Region Commanders. CIA officers insure proper distribution of materiel and salary payments. They provide tactical advice and operational planning. They also provide the on the ground appreciation of the tactical situation which permits the Ambassador and his staff to influence the Lao leadership in the conduct of operations.

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In the broadest terms we see the following as the principal options. These options are not mutually exclusive in that adoption of Option II could well lead to Option III. We assume the continuation of U.S. tactical air support in the case of all Options.



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Discussion: This option requires the least change from the status quo. Executive responsibility remains the same. However, all support costs would be made public and provided from one source.

Pros:

1. This option has the advantage of continuing a successful system of managing the irregular program in Laos, i.e., CIA continues to handle day-to-day support and guidance in-country.

2. This option also meets Senator Stennis' first concern, i.e., removing irregular program expenses from the CIA budget.

Cons:

1. This option continues the CIA as the executive agency for this program. This does not meet Senator Stennis' firmly stated desire to remove the Agency from this role, as soon as feasible. It also risks Congressional action to limit the capability of the Agency and the Administration to conduct covert paramilitary operations in the future, and could jeopardize Congressional support for other primary Agency functions.

2. The budget, the program and the Agency's administration of the program would be subject to Congressional scrutiny outside the CIA oversight committees and could lead to future exposure of Agency techniques and personnel.

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Option II: Transfer the CIA executive role to DOD. CIA will contribute personnel to DOD to assist in the transition.

Discussion: This would remove CIA from the war in Laos. The DOD would replace it as the executive agency under the Ambassador. The budget would become a separate line item in the DOD budget open to the public view, with the advantages and disadvantages inherent in that method of funding the program. Management of the program would require additional military personnel in Laos, in defiance of the Geneva Accords. Alternatively it could be done with civilian officers including retired military officers.

Pros:

1. This option meets Senator Stennis' objection. It removes money for the Laos irregulars from the Agency's budget. It removes the Agency from management of the program.
2. This option simplifies the command and control structure for U. S. military support to the Royal Lao Government.
3. Assumption by DOD of guidance to the irregular program introduces military training and experience into what has become a largely conventional, positional warfare situation for the irregular units.

Cons:

1. This option would increase the U. S. military presence in Laos in violation of the Geneva Accords. This could be partially circumvented by use of TDY officers from outside Laos, as is now done in advising the Regular Lao Army, by the assignment of some CIA officers under U. S. military control, or by the use of genuinely or ostensibly retired U. S. military officers.

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Option III: Transfer the CIA role with irregulars to the Lao

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Discussion: This option would limit the U. S. role to providing logistics support, airlift and salary payments. It would mean a more detached U. S. cognizance of the irregular program and its activities. It would bring the regular Lao Army and the irregular program under common Lao management.

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Pros:

1. This option meets the immediate concerns of Senator Stennis, as well as those in Congress who want less U. S. involvement in the Indochina war.

2. This option puts more responsibility on the Laos better preparing them to defend themselves.

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Cons:

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1. The U. S. will lose some influence over actions in Laos. The military situation might temporarily deteriorate. However, the Lao should be able to conduct their activities at a lesser but acceptable level.

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2. The U. S. Government will not be as well informed as now about the irregular program but sufficient information to follow the situation in Laos will be available from normal reporting.

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3. The U. S. Government would lose its present close control over U. S. funds and equipment supplied to irregular forces.

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October 1, 1971

Your talking points for telephone call to Senator Stennis on Laos:

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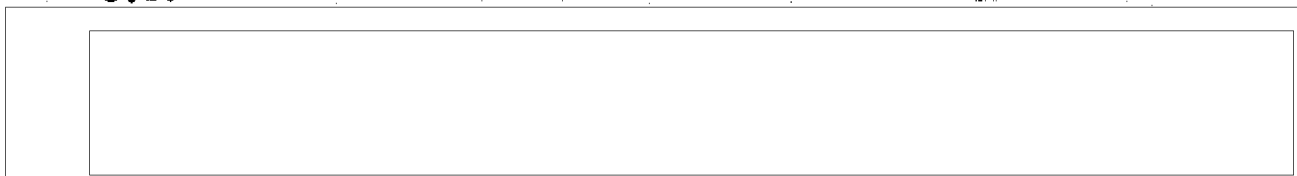
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